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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 4, 2000

APPLICATION OF

UNITED TELEPHONE-SOUTHEAST, INC.

CASE NO. PUC990211

For authority to provide  
notice to its Konnarock  
customers of revised  
ELS Proposal

PROCEDURAL ORDER

On May 12, 1998, telephone customers in United Telephone-Southeast, Inc.'s ("United"), Konnarock exchange petitioned the State Corporation Commission ("Commission") for local service to the Sugar Grove, Marion, Chilhowie, and Saltville exchanges.

Konnarock customers were polled regarding their willingness to pay an increase in monthly rates for local calling to Sugar Grove, Marion, Chilhowie, and Saltville. The survey passed with a majority of the customers responding favoring the expanded local calling area.

Cost studies were then completed for the exchanges calling back to Konnarock. On March 10, 1999, Sugar Grove customers were polled regarding their willingness to pay an increase in monthly rates for local calling to Konnarock. The survey failed with a majority of the responding customers rejecting the proposal.

Marion, Chilhowie, and Saltville customers were provided public notice of the proposal, and one Marion and one Chilhowie customer filed comments opposing the proposal.

As a result of the Sugar Grove customers rejecting the proposal, the proposed monthly rate changes for Konnarock customers to call the remainder of the exchanges (Marion, Chilhowie, and Saltville) are less than those previously proposed. United provided the Commission Staff with a revised cost study reflecting the lower rates.

On November 12, 1999, United filed an application requesting that notice be provided to Konnarock customers stating that (1) Sugar Grove customers rejected calling to Konnarock; (2) the earlier local service proposal will be modified to remove Sugar Grove; and (3) the revised rates reflect this change. United stated in its application that it is appropriate to reaffirm the interest of the original proposal without Sugar Grove.

On December 21, 1999, the Commission issued an Order Prescribing Notice directing United to give notice of the revised rates to its customers in the Konnarock exchange and permitting those customers to file comments and requests for hearing.

A total of 12 parties filed comments on United's application. One customer favored the proposal but does not

want to pay any additional charges. Seven customers opposed the proposal. A member of the Grayson County Board of Supervisors and one customer requested a hearing, and one Sugar Grove customer and one Konnarock customer requested reconsideration of adding Sugar Grove.

On March 13, 2000, the Commission's Staff ("Staff") filed its Report stating that the Commission may want to consider a public hearing on this matter in light of the possible customer confusion over the proposal, letters in opposition, and requests for hearing.

NOW THE COMMISSION, upon consideration of United's application, the comments and requests for hearing, and the Staff's Report, is of the opinion that a procedural schedule should be established and that this matter should be assigned to a Hearing Examiner pursuant to Rule 7:1 of the Commission's Rules of Practice and Procedure ("Rules") to conduct all further proceedings, and that the assigned Hearing Examiner should schedule a hearing in this matter which may be held in an appropriate location in the area. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to Rule 7:1, a Hearing Examiner is appointed to conduct all further proceedings in this matter.

(2) The Hearing Examiner appointed herein shall schedule a public hearing by separate ruling, which, if the Examiner finds

appropriate, may be held in a location convenient to United's customers.